GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5162
ANSWERED ON:11.05.2007
TRADING BY NRIS IN FUTURE MARKET
Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has received suggestions from the Forward Markets Commission to allow NRJ`s in future trading;

(b) if so, the details thereof and the action taken by the Government thereon; and

(c) the extent to which this move will increase the turnover of the commodity bourses in the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PA WAN KUMAR BANSAL)

(a) : Yes Sir. RBI has received a reference from the Forward Markets Commission in February, 2007 for allowing NRIs to invest in Exchange Traded Derivative Contracts (ETDCs) approved by the For ward Markets Commission (FMC).RBI has reported that at present, NRIs are permitted to trade in Exchange Traded Derivatives (ETD) in equities, but the investment in commodity derivatives would require specific approval of RBI.

(b)&(c) : The information is being collected and will be laid on the table of the House to the extent available.